

DUE DILIGENCE REPORT 2020/21

Throughout the period June 2020- May 2021, Drijfhout strengthened the implementation of its policies, thus further meeting the requirements of the IMVO Gold and OECD guidance.

In line with step one of OECD, the company structure allocates specific product line responsibilities to named Purchasing officers who report directly to the Managing Director. These officers are required to continually monitor supply for an unexpected changes. Any significant changes are raised directly with the MD and if not adequately resolved, may result in suspension of trade with a supplier.

The company identifies and assesses any risks when establishing a relationship with a new supplier and additionally carries out random checks on materials and suppliers during any ongoing supply relationship. This is carried out in line with the companies KYC process which was improved during the year to include details of Ultimate Beneficial Owner (where applicable) and checking of suppliers` compliance with OECD. All such assessments are checked and signed off by either the Managing Director or an authorised deputy. Drijfhout believes that by checking and reviewing the legal and fiscal data of direct partners and checking compliance with appropriate legislation, it is meeting the requirements of step 2 of OECD guidance. Such checks and reviews apply to product suppliers and any refiner identified in its supply chains.

During its trading and reviews of 2020-21, Drijfhout identified no significant risks in its active chain, ceasing or refusing to trade with suppliers or individuals for failed to meet its KYC requirements. Whilst all were considered minor omissions, the company applied a strict policy in order to meet its legal and fiscal obligations and in the process adhere to step 3 of OECD. The above process may be modified where a larger scale supplier is involved. Should a red flag be identified by such a supplier (even by omission of data) Drijfhout has a policy of advising its suppliers of its OECD obligations and recommending the actions its suppliers should take to meet OECD requirements. Should a supplier continue to not address the issues, the company assesses the risk of continuing with the relationship and take appropriate action to protect its interests.

Drijfhout regularly checks any refiners identified in its supply chain against the Responsible Minerals Initiative list of compliant refiners/smelters (www.responsiblemineralsinitiative.org/smelters-refiners-lists/) Additionally any supplier of gold containing product has its RJC status checked along with any other suitable registration provided. By checking on the appropriate sites, Drijfhout believes it is carrying out sufficient due diligence on its suppliers and meeting step 4 of OECD as the mentioned sites give up to date information regarding a suppliers audit status.

A modified and expanded questionnaire was sent to all suppliers, who during the period June 2020 and May 2021, provided gold or gold containing products to the company.

Based on the replies to the questionnaire the company determined that in 2020-21

98+ % were from companies where the refiner was reporting or meeting OECD compliance. This compares to 97% for 2019-20

Compliance to OECD is judged either on the basis of data published on one or more of the RMI, LBMA or RJC websites. In the case of a smaller refiner, compliance is accepted based on if that refiner is publishing its own due diligence report that is being independently reviewed and meeting OECD guidance.

Reviewing the data on direct purchases and information provided by suppliers, Drijfhout identified the following refiners in its supply chain -

Heimerle+ Meule
Sempsa JP
Agosi
C Hafner
Elephant Refinery.

The volume of gold sold during 2020-2021 where a refiner had not been identified was determined to be under 1% of sales, spread across about 15 smaller suppliers and of product purchased prior to this reporting year. All of these suppliers are EU based.

Like its sister Group companies, Drijfhout remains open to provide additional data either verbally and or by email to any person or organisation that has a legitimate reason to request the data. Similarly the company will investigate any grievance or concern regarding the products it supplies, responding directly to that person/organisation with its findings along with its intended actions, as and if required.

As Drijfhout is also active in the recycling chain, similar KYC and due diligence is carried out for companies it purchases materials from and on those it send materials to. For both 2020-21 , 99,8% of all refining materials were sent to its own Group refiners, Heimerle+Meule and Sempsa JP, both of which are RMI compliant refiners and have the appropriate Environmental, Legal and compliance registrations.



Chris Kuscher
Managing Director

June 2021.